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M E M O R A N D U M

TO: Jack B. Feight, Director
FROM: Ronald W. Daniels, Coordinator of Mined Land Reclamation *Ran*
DATE: January 22, 1976
SUBJECT: Uranium Mill Reclamation Work and Bonding

A meeting was held today between myself and Dennis Dalley of Utah State Division of Health. During this meeting Mr. Dalley reviewed the background communication which he has had with the Nuclear Uranium Company (NRC).

Shortly, the NRC will be in communication with the Division relative to their needs for the monitoring of reclamation and stabilization of uranium mills. Basically this will amount to a surety or bond held by the Division and performing reclamation on uranium mills. As I see it, this will be held like most any other mill operation.

I also talked to Mr. Mervin Lawton of The Rio Algom Uranium Mill, by telephone. I informed him of our understanding with the Department of Health, for regulating reclamation on uranium mill operations. As it turns out, he is not being pressed by the NRC to actually obtain a license, but says he will file long before the July 1977 deadline. For long term surveillance (over 5 years) after a mill has gone out of business, Mr. Lawton feels monitoring of tailings pond should be performed by a government agency, funded by a reclamation fund. The financing of this fund, he feels, should be done through a sales tax paid by his

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customer. Many operators have long term contracts for production, and paying a severance type tax would necessitate their internalizing this cost. Having a sales tax or value added tax, the purchaser of uranium from the mill would pay the tax, and naturally pass it on to the retail customer of the power, or other product made.

A conversation with Mr. Bill Badger, of Atlas Minerals in Moab, brought to mind the fact that their licenses had already been renewed by NRC via the Health Departments assumption of responsibility for the bonding of uranium mills. However, no bond or surety has yet been filed. Mr. Badger will forward to the Division his background materials on reclamation communication he has had with the NRC.

Both Atlas, and Rio Algom, were informed that more communication will be forthcoming as soon as the Division firmed up its specific plans for uranium mill filing.